

[6 December, 2006]

RAJYA SABHA

(c) whether the Finance Ministry has raised any objections about the existing exporters moving to SEZs, to save taxes?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Applications for establishing Special Economic Zones (SEZs) can be made to the concerned State Government or directly to the Central Government. However, only the proposals duly recommended by the State Governments are granted approval by the Central Government as per the provisions of the SEZ Act 2005 and the SEZ Rules 2006.

(b) The proposals for setting up SEZs received by the Central Government are from 21 States and 3 Union Territories. Out of these, formal approvals have been granted in 237 cases till date covering 17 States and 2 Union Territories.

(c) The SEZ Act, 2005 read with SEZ Rules, 2006 does not allow for conversion of existing units to SEZs. Further, the SEZ Rules, 2006 have been amended prohibiting usage of the domestically used Capital Goods by the SEZ Units.

#### **Defining waste land for SEZs**

1493. SHRI MAHENDRA MOHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the term waste land in acquiring the land for Special Economic Zones has been defined in clear terms, so that it may be uniformly applied across the country;

(b) if so, the details in this regard; and

(c) whether it is a fact that a fertile land at times can become waste land, in view of unclear title or dispute, if so, what checks Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) Land is a State subject. Each State acquires land for roads, highways, ports, airports, institutions, irrigation projects, industrial areas and other purposes. Each State has its own policy in this regard. However, the States have been advised that

while acquiring land for Special Economic Zones (SEZs) preference should be given to waste and barren land and if necessary single crop agricultural land alone should be acquired for the SEZs. If perforce a portion of double cropped agricultural land has to be acquired to meet the minimum area requirements, the same should not exceed 10% of the total land required for the SEZs.

**Impact on food production- due to conversion of fertile  
land into SEZs**

1494. SHRI SITARAM YECHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the quantum of area which is facing threat of acquisition from the proposed SEZs;

(b) the percentage of arable land, in comparison to the total agricultural land in that particular State, which is facing such threat;

(c) whether any study has been undertaken by Government to find out the impact of converting fertile land into SEZs on the production of foodgrains;

(d) if not, whether there are any plans to do so; and

(e) if not, how Government are going ahead to convert the arable land into non-arable land?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (e) Land being a State subject, decision to acquire land is taken by the concerned State Government. However, 237 Special Economic Zones, for which formal approvals have been granted by the Government, the total land area is 34510 hectares. In these cases, the land already available with the Developers has been utilized for setting up SEZ. Over 60 approvals out of total 237 are for State Government Ventures which account for 17800 hectares approximately. This extent of land would not hamper the agricultural production in the country considering the fact that the total arable land in the country is over 100 million hectares. Therefore, no study in this regard is contemplated. However, the State Governments have been advised that in case of land acquisition for Special Economic Zones (SEZs), priority should be for